

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

N

W-03511A
Navajo Water Co., Inc.
PO Box 82218
Bakersfield, CA 93380

ANNUAL REPORT
Water

FOR YEAR ENDING

12	31	2009
----	----	------

RECEIVED

APR 15 2010

AD. CORP. COUNCIL
DIRECTOR JUDGE

FOR COMMISSION USE

ANN 04	09
--------	----

RECEIVED

JAN 20 2010

BROOKE UTILITIES

4-19-10

COMPANY INFORMATION

Company Name (Business Name) <u>NAVAJO WATER CO.</u>		
Mailing Address <u>P.O. Box 82218</u>		
<u>PALESTINE</u> (City)	<u>CA</u> (State)	<u>93380</u> (Zip)
<u>800-270-6084</u>	<u>800-748-6981</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address <u>CUSTOMER SERVICE CENTER C BROOK UTILITIES.COM</u>		
Local Office Mailing Address <u>1010 So. STOVER RD.</u>		
<u>Payson</u> (City)	<u>AZ</u> (State)	<u>85541</u> (Zip)
<u>928-474-8130</u>	<u>928-474-1695</u>	<u>✓</u>
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)
Email Address <u>SAME</u>		

MANAGEMENT INFORMATION

<input checked="" type="checkbox"/> Regulatory Contact:			
<input checked="" type="checkbox"/> Management Contact: <u>ROBERT T. HADDCASTLE</u> <u>PRESIDENT</u>			
<u>P.O. Box 82218</u> (Street)	<u>PALESTINE</u> (City)	<u>CA</u> (State)	<u>93380</u> (Zip)
<u>661-633-7526</u>	<u>800-748-6981</u>	<u>✓</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>RTH C brookutilities.com</u>			
On Site Manager: <u>DAVID ALURED</u>			
<u>1010 So. STOVER RD.</u> (Street)	<u>Payson</u> (City)	<u>AZ</u> (State)	<u>85541</u> (Zip)
<u>928-474-8130</u>	<u>928-474-1695</u>	<u>✓</u>	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Cell No. (Include Area Code)	
Email Address <u>DAVIDA C brookutilities.com</u>			

Statutory Agent: ROBERT T. HATCASTLE
 (Name)

P.O. Box 82218 BAKERSFIELD CA 93380
 (Street) (City) (State) (Zip)

661-633-7526 800-748-6981 —
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Attorney: JAY SHAPIRO (PENNEMOTZLE CRAIN)
 (Name)

3003 No. CENTRAL AVE. STE. 2600 PHOENIX, AZ 85012
 (Street) (City) (State) (Zip)

602-916-5000 602-916-5566 —
 Telephone No. (Include Area Code) Fax No. (Include Area Code) Cell No. (Include Area Code)

Email Address _____

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co-op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input type="checkbox"/> Other (Describe) _____ | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|--|-----------------------------------|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input checked="" type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	10,050		10,050
304	Structures and Improvements	11,511	7,510	4,001
307	Wells and Springs	12,778	11,354	1,424
311	Pumping Equipment	93,024	33,798	59,226
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	60,347	47,722	12,625
331	Transmission and Distribution Mains	123,642	101,722	21,920
333	Services	47,963	42,469	5,494
334	Meters and Meter Installations	43,264	21,185	22,079
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	1,709	298	1,411
347	Miscellaneous Equipment			
348	Other Tangible Plant	7,648	2,360	5,288
	TOTALS	411,936	268,418	143,518

This amount goes on the Balance Sheet Acct. No. 108



CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	10,050	0.00%	
304	Structures and Improvements	11,511	2.68%	309
307	Wells and Springs	12,778	2.68%	343
311	Pumping Equipment	93,024	2.43%	2,257
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	60,347	2.68%	1,620
331	Transmission and Distribution Mains	123,642	2.68%	3,319
333	Services	47,963	2.68%	1,287
334	Meters and Meter Installations	43,264	2.66%	1,150
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment	1,709	2.69%	46
347	Miscellaneous Equipment			
348	Other Tangible Plant	7,648	2.68%	205
	TOTALS	411,936	2.56%	10,536

This amount goes on the Comparative Statement of Income and Expense _____
 Acct. No. 403.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$	\$
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	0	
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	64,861	57,533
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 64,861	\$ 57,533
	FIXED ASSETS		
101	Utility Plant in Service	\$ 393,244	\$ 411,936
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(257,882)	(268,418)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 135,362	\$ 143,518
	TOTAL ASSETS	\$ 200,223	\$ 201,051

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 0	\$ 0
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 0	\$ 0
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	6,428	6,428
272	Less: Amortization of Contributions		(206)
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$ 6,428	\$ 6,222
	TOTAL LIABILITIES	\$ 6,428	\$ 6,222
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$ 58,300	\$ 58,300
211	Paid in Capital in Excess of Par Value	211,263	211,263
215	Retained Earnings	(75,768)	(74,734)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ 193,795	\$ 194,829
	TOTAL LIABILITIES AND CAPITAL	\$ 200,223	\$ 201,051

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 110,792	\$ 108,219
460	Unmetered Water Revenue		
474	Other Water Revenues	2,234	2,671
	TOTAL REVENUES	\$ 113,026	\$ 110,890
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 8,575	\$ 5,270
610	Purchased Water		
615	Purchased Power	9,196	7,889
618	Chemicals	40	
620	Repairs and Maintenance	664	3,262
621	Office Supplies and Expense		
630	Outside Services	33,970	24,194
635	Water Testing	2,416	2,615
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life	487	198
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	39,793	48,707
403	Depreciation Expense	10,180	10,536
408	Taxes Other Than Income	1,052	
408.11	Property Taxes	1,339	7,150
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 107,712	\$ 109,821
	OPERATING INCOME/(LOSS)	\$ 5,314	\$ 1,069
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(962)	(35)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (962)	\$ (35)
	NET INCOME/(LOSS)	\$ 4,352	\$ 1,034

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End	\$ 2,466
Meter Deposits Refunded During the Test Year	\$ 0

COMPANY NAME: NAVAJO WATER CO., INC.

Name of System: Laguna Estates Water System **ADEQ Public Water System Number (If applicable): PWS 09-000**

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled	Arsenic Levels (mg/L)
55-646524	5.0	26.3	290	6	1	Unknown	0.001

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None	N/A	N/A

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
None		None	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000	1	None	

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: NAVAJO WATER CO., INC.

Name of System: Laguna Estates Water System ADEQ Public Water System Number (If applicable): PWS 09-000

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	7,475
5		
6	PVC	1,240
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	31
3/4	0
1	0
1 1/2	0
2	0
Comp. 3	0
Turbo 3	0
Comp. 4	0
Turbo 4	0
Comp. 6	0
Turbo 6	0
Total	31

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

None

STRUCTURES:

70' x 120' fencing

OTHER:

One (1) Remote Tank Monitoring Device

Signs

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: NAVAJO WATER CO., INC.	
Name of System: Summer Pines Water System	ADEQ Public Water System Number (If applicable): PWS 09-030

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled	Arsenic Levels (mg/L)
55-623894	3.0	13.6	290	6	1	Unknown	<0.0030
55-623891	10.0	24.5	565	8	2	1967	<0.0030

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None	N/A	N/A

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5.0	1	None	None
1.0	1		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
40,000	1	5,000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: NAVAJO WATER CO., INC.

Name of System: Summer Pines Water System

ADEQ Public Water System Number (If applicable): PWS 09-030

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	ABS	40,180
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	220
3/4	0
1	0
1 1/2	0
2	0
Comp. 3	0
Turbo 3	0
Comp. 4	0
Turbo 4	0
Comp. 6	0
Turbo 6	0
TOTAL	220

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

None

STRUCTURES:

8' x 8' building

80' x 115' chain link fence

OTHER:

One (1) T100G Remote Tank Monitoring Device

Signs

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: NAVAJO WATER CO., INC.	
Name of System: Chaparral Pines Water System	ADEQ Public Water System Number (If applicable): PWS 09-039

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled	Arsenic Levels (mg/L)
55-601671	5.0	38	295	6	1	1982	0.0064

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
None	N/A	N/A

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5.0	1	None	None

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
30,000	1	1,000	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: NAVAJO WATER CO., INC.

Name of System: Chaparral Pines Water System ADEQ Public Water System Number (If applicable): PWS 09-039

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	ACP	7,350
4	PVC	550
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	79
3/4	0
1	0
1 1/2	0
2	0
Comp. 3	0
Turbo 3	0
Comp. 4	0
Turbo 4	0
Comp. 6	0
Turbo 6	0
TOTAL	79

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

None

STRUCTURES:

10' x 16' building

49' x 92' chain link fence

OTHER:

One (1) Remote Tank Monitoring Device

Signs

Note: If you are filing for more than one system, please provide separate sheets for each system.

Name of System: LAGUNA ESTEROS ADEQ Public Water System Number: 09-000**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	23	145.4	142.9	0
FEBRUARY	25	93.5	126.3	
MARCH	25	68.1	67.6	
APRIL	25	129.6	133.6	
MAY	25	133.6	139.6	
JUNE	25	156.9	142.7	
JULY	25	169.8	170.0	
AUGUST	25	161.3	163.3	
SEPTEMBER	25	162.5	157.3	
OCTOBER	25	139.0	140.7	
NOVEMBER	25	119.7	126.3	
DECEMBER	24	153.4	146.2	
TOTALS →		1,633.3	1,656.5	0

What is the level of arsenic for each well on your system? 79.10 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for ____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
() Yes (✓) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
() Yes (✓) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes (✓) No

If yes, provide the GPCPD amount: N/A

Note: If you are filing for more than one system, please provide separate data sheets for each system.

Name of System: SUMMITT PINES ADEQ Public Water System Number: 09-030**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	206	571.8	573.5	0
FEBRUARY	208	572.3	566.6	
MARCH	208	549.4	556.4	
APRIL	210	513.8	509.1	
MAY	210	772.0	772.8	
JUNE	212	933.4	911.3	
JULY	211	1170.9	1178.8	
AUGUST	211	923.1	923.0	
SEPTEMBER	213	816.3	807.7	
OCTOBER	208	690.8	681.7	
NOVEMBER	207	540.5	549.3	
DECEMBER	207	547.9	550.6	
TOTALS →		8,586.2	8,584.8	0

What is the level of arsenic for each well on your system? pg. 12 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for ___ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
() Yes (☒) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
() Yes (☒) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes (☒) No

If yes, provide the GPCPD amount: N/A

Note: If you are filing for more than one system, please provide separate data sheets for each system.

Name of System: CHADAPITAL PWS ADEQ Public Water System Number: 09-039**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2009**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	75	113.3	115.0	0
FEBRUARY	75	135.7	132.6	
MARCH	75	119.5	122.3	
APRIL	75	233.5	234.4	
MAY	75	380.4	368.1	
JUNE	76	452.6	454.6	
JULY	76	583.1	583.7	
AUGUST	76	416.7	419.0	
SEPTEMBER	76	686.8	670.1	
OCTOBER	77	349.9	342.7	
NOVEMBER	77	258.1	257.2	
DECEMBER	77	202.6	201.0	
TOTALS →		3,932.7	3,920.7	0

What is the level of arsenic for each well on your system? 19.14 mg/l
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? N/A GPM for ____ hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?
() Yes (☒) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?
() Yes (☒) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?
() Yes (☒) No

If yes, provide the GPCPD amount: N/A

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME:

Name of System:

ADEQ Public Water System Number:

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	0	N/A
FEBRUARY	0	0	
MARCH	0	1	
APRIL	0	0	
MAY	0	0	
JUNE	0	0	
JULY	0	0	
AUGUST	0	0	
SEPTEMBER	0	0	
OCTOBER	0	1	
NOVEMBER	0	0	
DECEMBER	0	0	
TOTALS →	0	2	

OTHER (description):

COMPANY NAME:

Name of System:

ADEQ Public Water System Number:

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	0	N/A
FEBRUARY		2	
MARCH		0	
APRIL		0	
MAY		0	
JUNE		0	
JULY		0	
AUGUST		0	
SEPTEMBER		0	
OCTOBER		1	
NOVEMBER		1	
DECEMBER		0	
TOTALS →	0	4	1

OTHER (description):

COMPANY NAME:

Name of System:

ADEQ Public Water System Number:

UTILITY SHUTOFFS / DISCONNECTS

MONTH	Termination without Notice R14-2-410.B	Termination with Notice R14-2-410.C	OTHER
JANUARY	0	2	N/A
FEBRUARY		0	
MARCH		0	
APRIL		2	
MAY		0	
JUNE		0	
JULY		0	
AUGUST		1	
SEPTEMBER		0	
OCTOBER		2	
NOVEMBER		0	
DECEMBER		0	
TOTALS →	0	7	

OTHER (description):

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2009 was: \$ 4,870.06

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

VERIFICATION
AND
SWORN STATEMENT
Taxes

VERIFICATION

STATE OF A

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	<u>KERN</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>Robert T. Hataxcastle, President</u>
COMPANY NAME	<u>NAVAJO WATER CO.</u>

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

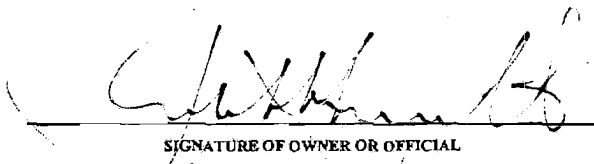
MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2009</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.


SIGNATURE OF OWNER OR OFFICIAL
6616337526
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

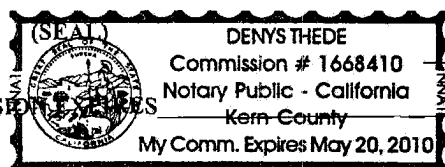
THIS

9TH

DAY OF

COUNTY NAME	<u>KERN</u>
MONTH	<u>APRIL</u>
	<u>2010</u>

MY COMMISSION




SIGNATURE OF NOTARY PUBLIC

COMPANY NAME _____

YEAR ENDING 12/31/2009

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported _____

Estimated or Actual Federal Tax Liability _____ 0

State Taxable Income Reported _____

Estimated or Actual State Tax Liability _____ 0

Amount of Grossed-Up Contributions/Advances: _____

Amount of Contributions/Advances _____

Amount of Gross-Up Tax Collected _____

Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

SIGNATURE_____
DATE_____
PRINTED NAME_____
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
APR 18 2010
COUNTY CLERK
Kern County

VERIFICATION

STATE OF CA
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)
NAME (OWNER OR OFFICIAL) TITLE
COMPANY NAME

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2009

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

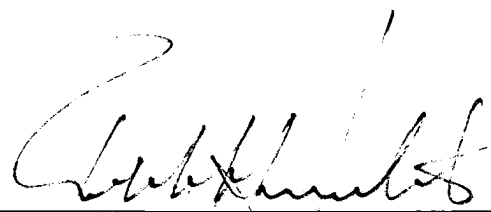
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2009 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 117,611

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 6,721
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
661 633 7576
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

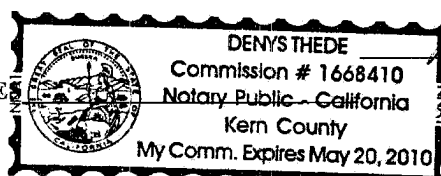
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 9TH DAY OF

COUNTY NAME	
MONTH	2010

(SEAL)

MY COMMISSION EXPIRES




SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

VERIFICATION

~~CALIFORNIA~~
STATE OF ~~ARIZONA~~

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) <u>KERN</u>	
NAME (OWNER OR OFFICIAL) <u>Robert T. Harrold</u>	TITLE <u>President</u>
COMPANY NAME <u>Navajo Water Co.</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION
FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2009</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2009 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 114,940

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 6,721 /
IN SALES TAXES BILLED, OR COLLECTED)

*RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.


SIGNATURE OF OWNER OR OFFICIAL
661 6337526
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

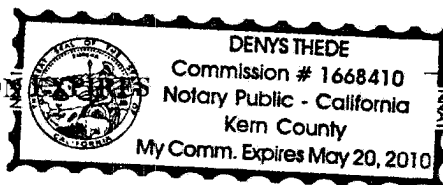
09 TH

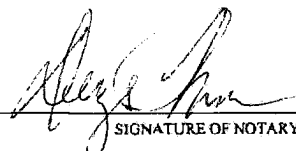
DAY OF

NOTARY PUBLIC NAME <u>DENYS THEDE</u>	
COUNTY NAME <u>KERN</u>	
MONTH <u>APRIL</u>	<u>2010</u>

(SEAL)

MY COMMISSION




SIGNATURE OF NOTARY PUBLIC

Navajo Water Co., Inc.
General Ledger

anges: From: 1/1/2009 To: 12/31/2009
Date: 1/1/2009
Account: 00.00.1400.01 Account: 00.00.1400.01

Subtotal By: No Subtotals
Sorted By: System

Include: Posting
Print Currency In: Functional (USD)

Account: 00.00.1400.01

Description: Prepaid Property Taxes

Beginning Balance:

\$2,279.85

Rx Date	Jrnl No.	Orig. Audit Trail	Distribution Reference	Orig. Master Number	Orig. Master Name	Debit	Credit
3/1/2009	383	GLTRX00000057	PropertyTax Amortization JAN09				\$379.98
2/28/2009	407	GLTRX00000062	PropertyTax Amortization FEB09				\$379.98
3/1/2009	428	GLTRX00000065	PropertyTax Amortization MAR09				\$379.98
3/30/2009	448	GLTRX00000072	PropertyTax Amortization APR09				\$379.98
3/1/2009	461	GLTRX00000075	PropertyTax Amortization MAY09				\$379.98
3/30/2009	483	GLTRX00000078	PropertyTax Amortization JUN09				\$379.95
3/1/2009	522	GLTRX00000081	PropertyTax Amortization JUL09				\$379.95
3/1/2009	534	GLTRX00000084	PropertyTax Amortization AUG09				\$379.95
3/30/2009	537	GLTRX00000087	PropertyTax Amortization SEP09				\$379.95
3/22/2009	553	IC	Gila County Treasurer	919-91-070 6 Y2009	Gila County Treasurer	\$3,543.22	
3/22/2009	554	IC	Gila County Treasurer	919-91-005 8 Y2009	Gila County Treasurer	\$489.58	
3/22/2009	555	IC	Purchases	919-91-005 8 Y2009	Gila County Treasurer		\$489.58
3/22/2009	556	IC	Purchases	919-91-070 6 Y2009	Gila County Treasurer		\$3,543.22
3/26/2009	557	IC	Navajo County Treasurer	919-91-005 8 Y2009	Navajo County Treasurer	\$489.58	
3/26/2009	558	IC	Navajo County Treasurer	919-91-070 6 Y2009	Navajo County Treasurer	\$3,543.22	
3/26/2009	559	IC	Navajo County Treasurer	919-91-000 3 Y2009	Navajo County Treasurer	\$837.26	
3/31/2009	601	GLTRX00000090	PropertyTax Amortization OCT09				\$1,243.40
1/30/2009	602	GLTRX00000091	PropertyTax Amortization NOV09				\$1,243.40
2/31/2009	627	GLTRX00000096	PropertyTax Amortization DEC09				\$1,243.40

Account: 00.00.1400.01

Totals:

Net Change (\$2,279.84)

Ending Balance

\$0.01

\$8,902.86

\$11,182.70

Grand Totals:

Accounts 1

Beginning Balance \$2,279.85

Net Change (\$2,279.84)

Ending Balance \$0.01

Debit \$8,902.86

Credit \$11,182.70

ACC 2009 ANNUAL REPORTS

INCOME TAXES

Brooke Water	Navajo Water	Payson Water	Tonto Basin	Circle City
--------------	--------------	--------------	-------------	-------------

For this reporting period, provide the following:

Federal Taxable Income Reported	(118,596.00)	(14,036.00)	(125,089.00)	16,629.00	(114,422.00)
Estimated or Actual Federal Tax Liability					
State Taxable Income Reported	(142,561.00)	(14,631.00)	(112,695.00)	23,802.00	(114,007.00)
Estimated or Actual State Tax Liability					
Amount of Grossed-Up Contributions / Advances:					
Amount of Contributions / Advances					
Amount of Gross-Up Tax Collected					
Total Grossed-Up Contributions / Advances					